

Shasta LAFCO

Shasta Local Agency Formation Commission

1737 Yuba Street, Suite B, Redding, CA 96001

Phone: (530) 242-1112 Fax: (530) 242-1113 Web: www.shasta.lafco.ca.gov

MINUTES

Special Meeting – June 12th, 2008

(These Minutes are not intended to be a verbatim transcription of the proceedings and discussion associated with the business on the Commission's agenda; rather, what follows is a summary of the order of business and general nature of testimony, Commission deliberation, and action taken.)

CALL TO ORDER/ROLL CALL/INTRODUCTIONS

Chairman Webster called the meeting to order at 9:00 a.m. at Shasta County Board of Supervisors Chambers, 1450 Court Street, Redding, CA. Commissioners Baugh, Gover, Farr, Fust, Haynes, Kehoe, Webster. Executive Officer Mickelson, Counsel Johnson and Clerk Smith were present as staff.

PLEDGE OF ALLEGIANCE

Commissioner Baugh led the Pledge of Allegiance.

PUBLIC COMMENT

There was no public comment submitted.

MINUTES

The minutes of May 1, 2008 were presented. By motion made and seconded (Baugh, Kehoe) the Commission approved the May 1, 2008 minutes.

The Executive Committee minutes of June 4, 2008 were presented and reviewed. No action was required as this was an information only item.

BUDGET & FISCAL AFFAIRS:

FY 2007-08 4th Quarter Claims Register

The Claims Register was presented for review and adoption. By motion made and seconded (Baugh, Fust) the Commission approved the Claims Register.

Consideration of Checking Account Statement

Ms. Mickelson presented the April 17, 2008 & May 18, 2008 bank statements for review. By motion made and seconded (Baugh, Gover) the Commission approved the Tri Counties bank statements dated April 17, 2008 & May 18, 2008 as presented.

Commissioner Haynes requested that description information be added to the Tri Counties bank statement for future meetings.

Clarification of Audit Statements, re: Pooled Funds

Ms. Mickelson provided the Commission with a response from the audit firm to clarify Commissioner Haynes question regarding pooled funds. The response satisfied Commissioner Haynes.

Public Hearing: Consideration and Adoption of 2008-09 Final Budget as Required by Government Code Section 56381(c)

The Executive Officer reviewed with the Commission each line of the Final Budget.

Discussion followed.

9:30 a.m. Public comment on the 2008-09 Proposed Final Budget was opened. As there was no comments submitted, at 9:31 a.m. the public comment period was closed.

At that time, Commissioner Baugh made a motion to move items 8a (Consideration of Temporary Employee Hire) and 8b (Audit RFP) up to be considered under Budget & Fiscal affairs, prior to adopting the budget as there were fiscal implications by both actions. Commissioner Fust provided the second. At that time, discussion and action on the Proposed Final Budget were suspended for Agenda Items 8a and 8b.

Consideration of Temporary Employee Hire

Ms. Mickelson brought before the Commission an opportunity to provide as-needed staff to maintain the office during the annual CALAFCO staff workshop and ease staffing needs when the analyst is on vacation or jury duty.

Commissioner Baugh questioned what the purpose of this employee was since the nature of LAFCO does not require the office to be open to set hours. Commissioner Fust stated that he felt there needed to be better communication if the LAFCO office is closed. Commissioner Fust added that if the office is closed the public and Commissioners should be able to get a hold of staff via the telephone. Commissioner Webster asked if the LAFCO line could roll over to Ms. Mickelson's cell phone on

occasions when then office is closed. Ms. Mickelson stated that that was possible. She informed the Commissioners that when there is a planned absence a sign is put on the door and the outgoing message on the machine reflects the closure as well. The Executive Officer's cell phone number was always noted on both the closure sign and the outgoing message on the office line. Ms. Mickelson noted that there hadn't been any complaints from the public about LAFCO being closed that she was aware of. There had been concern by the commissioners in the past and that was one of the main reasons for bringing this item to the Commission for action.

The Commissioners discussed the proposed budget amount of \$3750.00 for temporary staffing needs. Commissioner Baugh asked what was the least amount the Executive Office felt comfortable budgeting for temporary staff. The Executive Officer felt that 10 days per fiscal year, or \$1200, would suffice. The Executive Officer suggested creating a separate line item so as to have an accurate look at how often temporary staff was utilized.

By motion made and seconded (Kehoe, Gover) the Commission approved budgeting \$1200 for the Fiscal Year 2008-09 for a temporary employee as a separate line item.

2008-09 Independent Audit Request for Proposals

In 2007 Shasta LAFCO joined with three other Northern California LAFCOs to issue a joint RFP for audit services. The four Commissions each agreed to enter into contract with Moreland and Associates. That firm recently completed our first audit as an independent agency and the results of that audit were adopted by the Commission in May.

Since then, Shasta LAFCO has received communication from Moreland and Associates terminating the remainder of our three year contract for services due to a merger of Moreland and Associates with another firm. This termination requires the Commission to direct staff to circulate a new RFP for audit services.

Chair Webster brought up the suggestion of having an audit every two years for financial purposes as was discussed in the Executive Committee meeting. He had concerns about LAFCO having an audit every two years verses once a year. Commissioners Fust and Gover concurred.

Commissioner Farr asked if there was a law that requires LAFCO to have an annual audit. Ms. Mickelson stated that LAFCO is required to adhere to "Generally Acceptable Accounting Principals". It was certainly

advisable for the Commission to undergo an annual fiscal review by an outside agency. She also informed the Commission that there are several LAFCOs who don't have an annual audit.

By motion made and seconded (Baugh, Kehoe) the Commission approved the circulation of an RFP for audit services on both a one and two-year basis.

Public Hearing: Consideration and Adoption of 2008-09 Final Budget as Required by Government Code Section 56381(c) (continued)

After discussion and passed motions on items 8a and 8b, Chair Webster went back item 5d, Adoption of 2008-09 Final Budget as Required by Government Code Section 56381(c).

By motion made and seconded (Baugh, Gover) the Commission adopted the 2008-09 Final Budget, with amendments, as required by Government Code Section 56381 (c). The amendments noted were the addition of a separate line item for a Temporary Employee Hire up to \$1,200.

Authorization of Banking Actions, re: Withdrawal of LAFCO Funds from the County Treasury and Opening Deposits to US Bank and LAIF Municipal Services Reviews

Due to Shasta LAFCO terminating their agreement with the Shasta County Auditor's office effective June 30, 2008, it is necessary to withdraw the funds from the County Treasury on or before June 30, 2008.

There will be some funds that must stay in the County Treasury until the end of July (as per the Auditor), in order to pay any outstanding checks and the County Auditor's charges.

At this time, the Executive Officer would recommend keeping \$15,000 in the County account on June 30, 2008 and authorizing the rest of the LAFCO funds be withdrawn from the County in an order made payable to US Bank. Funds can be transferred to LAIF from the US Bank account once we receive funds due and payable for the 2008-09 Fiscal Year.

By motion made and seconded (Baugh, Haynes) the Commission Authorized the withdrawal of all LAFCO funds, with the exception of \$15,000 that is to remain in the County Treasury until July 31, 2008; due and made payable to US Bank no later than June 30, 2008.

SPECIAL STUDIES/REPORTS

Municipal Services Reviews

Ms. Mickelson provided the Commission with an MSR update. She reported that the MSR update before that was not the most current version. There were two updates that were not reflected in the report. The first update being the proposal for draft adoption and circulation for the City of Redding. This was changed due to fact that the City of Redding was having a ground breaking ceremony at the same time as today's Commission meeting and they were unable to attend today's meeting. The second is the Anderson Fire Protection District. Because the City/District Consolidation study was currently underway, staff recommended review of that study prior to consideration of the MSR. Chair Webster informed the Commission that the study should be available by the end of July.

CHANGES OF ORGANIZATION AN/OR REORGANIZATION

Annexation: Public Hearing: Consideration of Clear Creek CSD Shasta Red Annexation, LAFCO File #08-02

The Clear Creek CSD applied for an annexation of contiguous territory to Clear Creek CSD. The application was submitted by the CSD on behalf of a property owner. Annexation was requested in order to bring within the CSD boundaries three parcels which are part of a larger territory seeking water service for a proposed 284 unit subdivision (Cottonwood Estates), as well as five additional parcels to make this a contiguous proposal. This is a 100% consent application and is within the adopted Clear Creek CSD Sphere of Influence. The Executive Officer recommended approval of the Extension of Services as proposed.

Commissioner Baugh question how section 56668(j) was verified. Ms. Mickelson stated that there is a contract between the District and the application.

Chair Webster invited the applicants to speak before the Commission.

Mr. Kurt Born of Clear Creek CSD informed the Commission that it is always the responsibility of the developer to fund the infrastructure. Mr. David Storer, the developer of the Shasta Red project, echoed Mr. Born's statements.

Commissioner Baugh questioned how the District determines that the developer indeed has funds to move forward with the project.

Mr. Born stated that it's part of the approval process. If the developer does not have the funds then the project dies.

Commissioner Baugh thanked Mr. Born for the clarification. Ms. Mickelson stated that she would change the ambiguous language on any upcoming staff reports.

10:14 a.m. Public comment on the Consideration of Clear Creek CSD Shasta Red Annexation, LAFCO File #08-02 was opened. As there was no comments submitted, at 10:15 a.m. the public comment period was closed.

By motion made and seconded (Kehoe, Fust) approved the Clear Creek CSD Shasta Red Annexation, LAFCO File #08-02 and adopt Resolution No. 2008-06.

Report on Upcoming Proposals

The Executive Officer provided a brief report to the Commissioners regarding upcoming and expected proposals. Discussion followed. No action was taken.

CALAFCO Conference Attendance

Ms. Mickelson requested that any who would like to attend the CALAFCO conference need to notify staff as soon as possible as hotel rooms are quickly going. She noted that registration materials need to be returned to the Shasta LAFCO office for payment.

Commissioners Baugh and Haynes expressed their desire to attend the upcoming CALAFCO conference. Ms. Mickelson requested that the Commissioners get in contact with her to set up travel arrangements.

Establishment of CALAFCO Voting Member and Alternates

By motion made and seconded (Webster, Kehoe) the Commission nominated Commissioner Baugh to serve as the voting delegate for Shasta LAFCO at the 2008 CALAFCO Business Meeting and Commissioner Haynes to serve as the alternate.

Nomination to the CALAFCO Board of Directors

There were no nominations. No action was taken.

Election of LAFCO Chairman and Vice Chairman

Commissioner Kehoe nominated Chairman Webster to continue serving as Chairman and Commissioner Gover to continue as Vice Chairman. It was noted that Chairman Webster would revert to an Alternate Commissioner role in January 2009, so if elected, an additional election would need to be scheduled to fill the remainder of the term at that time.

By motion made and seconded (Kehoe, Haynes) the Commission elected Commissioner Webster as the Chairman and Commissioner Gover as the Vice Chairman.

COMMISSIONER ANNOUNCEMENTS

There were no announcements.

STAFF ANNOUNCEMENTS

The next LAFCO meeting will be at 9:00 a.m. on August 7, 2008 at the City of Anderson.

ADJOURNMENT

There being no further business, Chairman Webster adjourned the meeting at 10:38 a.m.

Respectfully submitted,

Jessica Smith
Clerk to the Commission

Date